

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6658**

**BILL NUMBER:** SB 164

**NOTE PREPARED:** Dec 21, 2011

**BILL AMENDED:**

**SUBJECT:** Tax credit for hiring certain individuals.

**FIRST AUTHOR:** Sen. Randolph

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Provides a nonrefundable tax credit to a small business (employing fewer than 150 employees, the majority of whom are in Indiana) for employing an individual who is receiving unemployment benefits or returning from military service (qualified employee). Provides that the small business must employ a greater number of full-time employees in Indiana in the taxable year than the small business employed in Indiana, on average, in the small business's base employment period (generally January 1, 2010, through June 30, 2010). Provides that the employee must be hired full time. Provides that the credit applies only to taxable years beginning in 2012 through 2014. Provides that the credit is \$3,000 per qualified employee limited to \$100,000 per small business. Provides that the small business may carry any excess credit over to not more than three subsequent taxable years. Provides that the small business forfeits 50% of the amount of the tax credits attributable to the employment of a qualified new employee, if within 18 months after the qualified new employee was initially hired: (1) the qualified new employee is terminated, laid off, or otherwise reclassified to a position that is not a full-time employment position with the small business; or (2) the position created for the qualified new employee is eliminated.

**Effective Date:** January 1, 2012 (retroactive).

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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